

Pensions

Rise in women's state pension age prompts poverty concerns

Accelerated timetable for achieving parity has hit women hard, say campaigners

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Protesters gather outside the Houses of Parliament to protest against changes to the state pension age for women. Photograph: PA

The state pension age for women will rise to 65 on Tuesday to match men for the first time, reaching a milestone that has prompted warnings from campaigners that the pace of equalisation has left some female retirees facing poverty.

The equalisation of the state pension age at 65 is the first step towards a rise to 66 for both sexes in two years (October 2020), and a planned further increase to 67 starting from 2026. Another rise to 68 from 2039 was recommended by the official Cridland review this year, which will hit workers currently in their late 30s and early 40s.

The accelerated timetable for equalising then raising the state pension age has hit women especially hard, according to the campaign group Waspi (Women against state pension inequality), with about 3.8 million women born in the 1950s forced to wait up to an extra six years to receive a state pension.

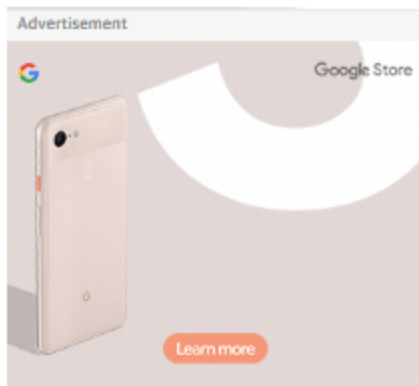
In protests outside parliament last month, Waspi said a lack of sufficient information about the rise meant many women did not find out about it until they reached 60, leaving them with no time to make alternative plans.

The former pensions minister Ros Altmann said: "The state pension age may be equalising but there is no pensions equality for women."

She said the government increased the state pension age for older women by up to 18 months with only five years' notice, while men had seven years' notice of a 12-month change. "The short notice changes have caused significant hardship to many women, especially as many did not know about the original plans to increase their pension age from 60."

Frances Kew, 58, from Edinburgh, is typical of the millions of women who have had their pension delayed. She told the Guardian in October that the HM Revenue & Customs website showed her, when she took voluntary retirement in 2010, that she would obtain the state pension on her 60th birthday in February 2020.

But she was later informed that her state pension age had been pushed back to her 66th birthday, in February 2026. "Now I find myself in desperate circumstances, wondering if I am going to have to sell my home, which I



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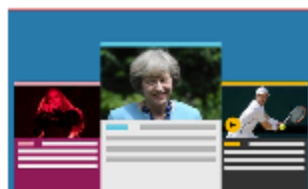
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have worked for all my life," she said.

Waspi said it had "always supported" the equalisation of the state pension age, but "the fact that men and women are now equal in the age they will retire makes little or no difference to the problems that women born in the 1950s face as they approach retirement".

Lower wages and broken employment periods, which may result in women failing to build a full national insurance record, mean they receive lower state pensions than men. In November 2017, the average weekly amount of state pension received by women, at £126.45 per week, was 82% of that received by men (£153.99).

Women in their 60s also have a fraction of the pension savings that men have. According to [a report by the Chartered Insurance Institute](#) last week, the average 65-year-old woman has £35,800 in her pension, compared with £179,000 for the average 65-year-old man.

A spokeswoman for Waspi said: "Clearly, equalisation is not simply just about the age you reach retirement, but also about your ability to accrue a full state pension entitlement, and generate a private pension to have any hope of security in retirement."

Experts said while there was substantial publicity in the 1990s about the forthcoming equalisation of pension ages, there was little notice of the acceleration of the timetable in the 2011 [Pensions Act](#).

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Nathan Long, a senior pensions analyst at the financial advisers Hargreaves Lansdown, said: "Undoubtedly there was widespread coverage of the increases to state pension age over the years from 1995. It cannot be proven whether the women affected by these changes were given reasonable notice.

"For those women affected by the acceleration to the state pension age in the 2011 act in particular, the changes were introduced abruptly and with relatively little time to adapt."

A spokesperson for the Department for Work and Pensions said: "The decision to equalise the state pension age between men and women was made over 20 years ago and achieves a long-overdue move towards gender equality. As we are all living considerably longer than when pensions were introduced, we need to adjust the pension age to ensure the sustainability of the state pension now and for future generations."

Pensions Q&A



▲ It is estimated that equalising the state pension age at age 65 saves the Treasury about £5bn a year. Photograph: Nick Ansell/PA



What's happening to the state pension age?

It equalises on Tuesday for men and women at 65, but in October 2020 it goes up by another year, to 66 for men and women, then to 67 from 2026.

Why are campaign groups objecting to the change?

The campaign groups support equality; their issue is how it has been reached. Equalisation at age 65 was proposed in the Conservative chancellor Norman Lamont's budget of 1993, with legislation set in train in 1995 for men and women's entitlement to be equalised in 2020. But the Pensions Act 2011

accelerated the process to achieve parity by 2018. This means many women have had little time to prepare.

Who are the women most affected?

Those born in the 1950s, numbering about 3.8 million, according to Waspi. A woman born on 1 May 1950 would have received her pension at 60, while a woman born in on 1 May 1960 will not receive hers until she is 66, in 2026.

But women will receive the same state pension as men, so what's the issue?

While the basic state pension of £125.95 a week and the “new” state pension of £164.35 a week are the same for men and women, many fewer women receive the full amounts as they don't have a full national insurance record. Under the new, higher, state pension, you will need 35 years of national insurance contributions (NIC). For every “missing” year of NIC under 35 years, your state pension will be reduced by 1/35th. This is likely to hit women who have career breaks for children.

Meanwhile, as Altmann points out, the lowest earners (mostly women) are left out of the national insurance scheme. Also, of the half-million people over 80 who receive pension credit, 450,000 are women, but do not benefit from the “triple lock” applying to the state pension. The triple lock guarantees that the basic state pension will rise by either 2.5%, the rate of inflation or average earnings growth - whichever is largest.

How much money does the state save through equalisation?

It is estimated that equalising at age 65 saves the Treasury about £5bn a year. Moving everyone up to 67 will save £76bn in the first 10 years and mean that those working the additional years between 65 and 67 will pay an extra £11bn in income tax and NIC, [according to government estimates](#).

How do I find out when I get my state pension?

Here, on [gov.uk/state-pension-age](https://www.gov.uk/state-pension-age)